

NEWS



of the History Department at Boston University

March 2007

Jonathan Zatlin's book on money in East Germany published

Cambridge University Press has announced the publication of Professor Jonathan Zatlin's *The Currency of Socialism: Money and Political Culture in East Germany*. We are pleased to reprint a section of Chapter 1, "Making and Unmaking Money: Monetary Theory and Economic Planning in East Germany."

"Money is the purest reification of means, a concrete instrument that is absolutely identical with its abstract concept; it is the embodiment of pure function."

"Money is the pimp between human need and its object, between life and the means of life."

During Erich Honecker's tenure as General Secretary, a joke circulated that deftly paraphrases the peculiar position of money in Soviet-style regimes. Two men, eager to enrich themselves by producing counterfeit bank notes, mistakenly print 70-mark bills. To improve their chances of unloading the fake notes without getting caught, they decide to travel to the provinces. Sure enough, they find a sleepy state-run retail outlet in a remote East German village. The first forger turns to his colleague and says, "Maybe you should try to buy a pack of cigarettes with the 70-mark bill first." The second counterfeiter agrees, and disappears into the store. When he returns a few minutes later, the first man asks him how it went. "Great," says the second man,

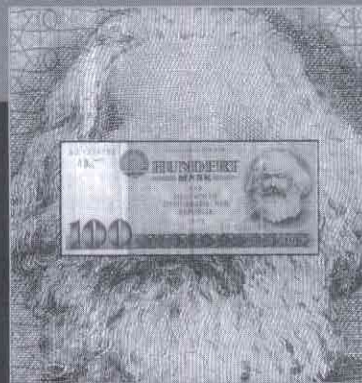
"they didn't notice anything at all. Here are the cigarettes, and here's our change: two 30-mark bills and two 4-mark bills."

Like much of the black humor inspired by authoritarian rule, the joke makes use of irony to render unlike things commensurate. This particular joke acquires a subversive edge from its equation of communism with forgery. The two men successfully dupe the state-run store into accepting their phony bills, but the socialist state replies in kind by passing on equally fake money. The joke does not exhaust itself, however, in an attack on the moral integrity of communism,

which responds to one crime with another, or even with the powerful suggestion that any regime that counterfeits its own currency must be a sham. What is unusual about the joke—and most likely responsible for blunting its satiric edge—is that it preserves the socialist yearning for a society in which money has no meaning. After all, the transaction is successful despite the fraud: The two men are able to purchase the cigarettes with the most inept of fictions. At least in the counterfeit world of the joke, then, the organization of the economy along socialist lines has reduced money to the paradoxical status of a necessary, yet somehow insufficient, condition of exchange. The resulting liberation of eco-

THE CURRENCY OF SOCIALISM

Money and Political Culture in East Germany



JONATHAN R. ZATLIN

PUBLICATIONS OF THE GERMAN HISTORICAL INSTITUTE

conomic activity from monetary constraints makes possible a world of consumer plenty, where moral and industrial goods abound—where people can counterfeit their money and smoke their cigarettes, too.

At the heart of the joke resides a fable about how the planned economy was supposed to work: To eradicate poverty, unemployment, and exploitation, Marxism-Leninism sought to free economic activity from the shackles of pecuniary mediation. Denied value in exchange, money would no longer prove an obstacle to the satisfaction of consumer demands, much less an object of desire and envy. Nor could it be misused to gain political power. Reducing money to a partial expression of comparative value constituted not by market forces, but instead by Marxist-Leninist theory, would, so the SED [Socialist Unity Party] hoped, transform money into a purely notational device, a marker balancing production against consumption. The disciplinary powers of money were transferred to planning indicators, which pointed towards the future production of specific physical values in line with the party's political priorities—creating what János Kornai aptly termed “soft budget constraints,” since they were seldom binding. Money became an instrument for allocating wages and procuring consumer goods—that is, for redistributing social wealth for consumption along egalitarian lines. Unlike capitalist money, which served as an agent of social alienation and injustice, socialist money would never prevent consumers from buying what they needed. Instead of mediating exchange, the East German mark would circulate as the official embodiment of an egalitarian consumerism and a ceremonial reminder of socialist legitimacy.

Of course, the reality of production and consumption in the GDR was more prosaic than the fabulous world of the joke or the utopian reveries of communist party members. The inability of the planned economy to deliver prosperity, much less the moral emancipation from economic constraint envisioned in the joke, made the elimination of money impossible. Instead, the

SED's attempt to order economic interaction along extramonetary lines disrupted production and consumption: That is, the party's efforts to suppress the formation of prices according to supply and demand and their expression in money terms were the main reason for the GDR's large-scale waste of resources. Although releasing companies from the threat of bankruptcy ensured that workers never had to fear unemployment, rescinding the disciplinary powers of money permitted an inattention to cost constraints that generated inefficiency and waste. The resulting economy of shortage undermined the currency of socialism by depreciating socialist money, as East Germans increasingly discovered that they could not acquire the goods they desired with the East German mark.

In explaining the failures of Soviet-style economies, most Western scholarship focuses on the role of politically induced price distortions in creating inefficiency and waste. Using the analytic tools of neoclassical economics, price-oriented approaches have demonstrated how the continued existence of markets under socialism defied the best efforts of economic planners to substitute bureaucratic control for economic exchange. Despite the invaluable contributions of this literature, however, it leaves unexplored the fundamental misapprehension on which Marxist-Leninist economic theory rests: a confusion of money with the market. As a supplement to the analysis of the relation between price and power, this chapter restores money to the position of theoretical prominence it originally claimed in socialist thought. In particular, it contends that a deep-seated hostility towards money animated Marxist-Leninist economic theory. Although Karl Marx had been outspoken in his criticism of this attitude, his heirs continued to view money as the locus of social inequality, and the elimination of money as central to the task of subordinating economics to ethics. Rather than suggesting a genuinely different relation between value and exchange, however, Marxist-Leninist economic theory foreclosed a serious engagement with alternatives to the mar-

ket. Instead, communist regimes contented themselves with a partial adoption of the financial framework developed by market economies. Merely restricting the function of money did not reduce its meaning, however, just as substituting administrative “distribution” for buying and selling did not resolve the problem of how best to allocate limited resources.

If usurping money's power to dispose of scarce resources did not liberate the planned economy from the underlying constellation of supply and demand, it did offer political advantages. The partial elimination of money furnished communist leaders with an economic lever that consolidated their power. By determining production priorities centrally, the party could substitute its own control over economic resources, which it allocated through the use of administrative directives such as planning targets or prices, for the rent-seeking behavior of capitalists, who invest without regard to the needs of the rest of society. Without independent economic variables such as money, the party could more effectively control the circulation of goods, the ideas that are embodied by those goods, and ultimately the people engaged in producing and consuming them.

Nevertheless, conflating economics with politics and morality with money could not rescue the planned economy from the necessity of honoring its intellectual debts. The failure of Marxism-Leninism to provide a viable alternative to capitalism, and more specifically to the money that mediates commercial activity, was central to the collapse of European communism. This is all the more true for the GDR, which unlike its socialist allies was forced to contend with a hostile capitalist state competing for legitimacy in the same national space. Increasingly exposed to the very market forces it had failed to eliminate, the SED turned to the West German mark, whose power it foolishly tried to harness. The resulting fragmentation of the East German economy into competing monetary spheres undermined the currency of socialism by making plain the second-class stature of the socialist currency. ♦



From the Great War to the Paris Peace Settlement, 1918-1919

A conference sponsored by the International History Institute at Boston University
March 23-24, 2007

Free to Boston University Faculty and Students

March 23: School of Management, 595 Commonwealth Avenue, 4th floor

9:15 a.m. Welcome and Introductory Remarks

William R. Keylor, Director, International History Institute

9:30-11:30 a.m. Long-Term Repercussions of the Peace Settlement

Chair: Andrew Bacevich (Boston University)

Margaret Macmillan (University of Toronto), Keynote Address: "Thinking About the Paris Peace Conference in 2007"

William R. Keylor (Boston University), "Have Wilson's Ideas at the Peace Conference Stood the Test of Time?"

Sally Marks (Independent Scholar), "Germany's Place in the Postwar Order"

1:00-3:00 p.m. The Implementation of the Peace Settlement

Chair: David Mayers (Boston University)

Peter Jackson (University of Wales, Aberystwyth), "Muscular Juridical Internationalism: French Conceptions of a 'Society of Nations,' 1917-1919"

Robert Young (University of Winnipeg), "Dialogues des Sourds: The Lonely Wars of Ambassador Jules Jusserand at the End of the Great War"

Ian Sharp (University of Ulster), "How Executable Was the Versailles Treaty?"

3:30-5:30 p.m. Strategies of War-making and Peace-making

Chair: TBA

Robert Hanks (Wilfrid Laurier University), "'Je fais la guerre': Clemenceau and the Dynamics of Inter-Allied Leadership in 1917-1918"

Carole Fink (Ohio State University), "The Palestine Question and the Paris Peace Conference"

Erik Goldstein (Boston University), "Versailles as a System"

March 24: 9:30-11:30 a.m. Eilts Room, Department of International Relations, 154 Bay State Road, 2nd floor

Roundtable on the Versailles Settlement in Historical Perspective and summary of participants' works-in-progress

News of the Undergraduate History Association

The Undergraduate History Association (UHA) is back this semester to continue building community among faculty, majors, minors, and those who have a general interest in history at Boston University. The UHA will be hosting events this semester such as trips, guest speakers, and general meetings to help foster discussion among one another. Anyone with a general interest in history or our organization is always welcome to attend these events. Please feel free to visit our Facebook group, "BU Undergraduate History Association," to learn about upcoming events and how you can become part of everything the UHA has to offer!

UHA Executive Board



On October 21, 2006, Melissane Parm (PhD in history from Boston University in 2003), was married to Paul Schrems. On the left in the photo is Melissane's father, William Parm, a 1973 BU alumnus, who met Melissane's mother, Charity Brunson (a student in SED), at BU. Melissane is currently Assistant Professor of History at St. Lawrence University in Canton, N.Y.

Registration Notes

Fall 2007

The registration period for fall 2007 classes begins on April 4 for graduate students and on April 15 for undergraduates. The department will have special advising appointments available beginning April 2 and continuing through April 20 (after that period students may see faculty members during their regular office hours). History concentrators and graduate students may call the office (353-2551) or stop in (226 Bay State Road, Room 308) to make an advising appointment. Note that students are expected to see their assigned advisor (whose name is available on the Link). After an appointment, a student should go to the department office to obtain the code for Web registration. The procedure for admission to restricted classes will be as follows: For HI 200 (limited to history concentrators and social studies majors in the School of Education) students may register via the Web; students in the College of General Studies who intend to become history majors must contact James Dutton in the department to register for this course. Note that HI 200 is the new number for the previous required course, HI 301; students may count either of these classes for the major. For colloquia (400- and 500-level courses) students first see the instructor and then visit the department office, where the registration is handled by computer. Permission slips for admission to colloquia will be accepted beginning March 2. The department will maintain a waiting list for any of the restricted courses that reach their enrollment limit; students may sign up for waiting lists by calling the office or going to the "Courses" section of the History website.

Below are notes on new or changed courses for fall 2007:

■ Professors Arianne Chernock and Cathal Nolan will each teach a section of HI 150 ("History Writing and

Research Seminar"), which fulfills a Writing Program requirement and also counts toward the History concentration.

■ Four sections of the core course for undergraduate majors will be offered: by Professors Linda Heywood, David Mayers, James McCann, and Eugenio Menegon.

■ Professor Thomas Glick will teach a new course, HI 347 ("Darwin, Freud, and Einstein"). The course covers the development of the scientific theories of these three significant figures in the history of science, the impact of those ideas in different national cultures, and their influence on literature, art, religion, and politics of the nineteenth and twentieth centuries.

■ For the first time Professor Bruce Schulman's HI 364 ("20th-Century United States, 1945-1968") will be taught with discussion sections. The course deals with the origins and development of the Cold War; McCarthyism, the Eisenhower era; civil rights; Great Society; Vietnam; the New Left and Counter-culture; feminism; the rise of conservatism, religion, culture, and politics.

■ Professor James Johnson will offer a new colloquium, HI 426 ("Music and Ideas from Mozart to the Jazz Age"). The course studies musical masterworks in historical context. Critical essays, literature, and philosophy from the period illuminate each work's setting, and recent scholarship provides varied approaches for understanding the influences affecting each work.

■ Another new course is Professor Andrew Bacevich's HI 472 ("Wars of the Twentieth and Twenty-First Centuries"), which examines the origins, conduct, and consequences of major conflicts of the past century, beginning with the Boer War and ending with the US conflict in Iraq.

■ Under the auspices of the Center for Judaic Studies, Visiting Professor Paula Kabalo will teach three history courses in the 2007-08 academic year. Her fall course will be a collo-

quium entitled "The Birth of a State: Israel 1945-1955" (HI 592). The class will examine the establishment of the state of Israel, the War of Independence and relations with Israel's Arab neighbors, and internal political developments. Since the course is in the approval process, it does not yet appear in the class schedule.

■ Reflecting Boston University's increasing presence in the burgeoning field of food history, Professor Thomas Glick will offer a graduate seminar, HI 781 ("Readings in Food History"), a survey of food history discussing how food influences, and is influenced by, politics, economics, climate, geography, technology, and culture. The course considers the ways food history interconnects with other disciplines and raises important issues for an era of globalized food production, processing, and consumption.

As usual, check the department website (www.bu.edu/history/courses.html) for up-to-date information on course additions and changes.

Graduate Student Milestones

The following students passed foreign language examinations in February:

Anne Blaschke: *French*
Suzanne Brown: *French*
Kathryn Brownell: *Spanish*
Danny Coval: *Spanish*
Eliana Lipsky: *Hebrew*

Christopher Seely had his research paper approved: "The Last Great Hope for the World: American Exceptionalism in the Neoconservative Ideas of the 1970s"

Anne Blaschke passed her qualifying oral examination on February 14. The examiners in the major field of American history were Professors Jon Roberts, Bruce Schulman, and Nina Silber; the examiner in the minor field of African history was Professor James McCann.



Professor **Eugenio Menegon** recently published an essay entitled "Deliver Us from Evil: Confession and Salvation in Seventeenth- and Eighteenth-Century Chinese Catholicism" in *Forgive Us Our Sins: Confession in Late Ming and Early Qing China*, edited by Nicolas Standaert and Ad Dudink (Steyler Verlag). The essay analyzes confessional practices, devotions for "good death," and indulgences in the Catholic China mission, within the context of converging Chinese and Christian soteriological preoccupations. On February 24 Professor Menegon also organized a workshop as An Wang Post-Doctoral Fellow at Harvard University's Fairbank Center. The workshop, entitled "Ancestors, Virgins, and Friars: Christianity as a Local Religion in Late Imperial China," gathered five scholars to discuss Menegon's book manuscript in progress. Commentators were China historians Henrietta Harrison and Michael Szonyi (Harvard University), China cultural historian Rudolf Wagner (University of Heidelberg), and China anthropologist Robert Weller and African/world historian **John Thornton** (Boston University).

On March 24 graduate student **Samuel Deese** will deliver a paper in Washington, D.C., "A Dialogue on the Destiny of Species: Julian and Aldous Huxley in the Cold War Era," at a conference on the Cold War and Environmentalism sponsored by J. R. McNeill and the German Historical Institute.

Professor **Barbara Diefendorf's** article "Why Paris?" was recently published in *Why France? American Historians Reflect on an Enduring Fascination*, edited by Laura Lee Downs and Stephane Gerson (Cornell University Press). Professor Diefendorf participated in a roundtable discussion of the book at the Center for European Studies at Harvard on February 26.

Professor **Thomas Glick** is co-chairing (with engineering professor Charles DeLisi) a university-wide steer-

ing committee to coordinate activities and events associated with the upcoming Darwin Bicentennial in 2009. The idea is to encourage the units of the university community to focus some of their energies on this important occasion.

On February 8 Professor **Andrew Bacevich** spoke at a luncheon of the Boston Council on Foreign Relations on the topic "The Limits of American Military Power." On February 10 he was a panelist at the annual meeting of Mass Peace Action, a peace and justice group. He had an article entitled "Going for Broke" published in *The American Conservative* (January 29) and another, "The Failure of an All-Volunteer Military," in the *Boston Globe* (January 21), reprinted in the *International Herald Tribune* (January 26).

Professor **Julian Zelizer** published an op-ed, "Sobering Realities," in the new webzine *Politico*. The article focused on the causes of bipartisanship. He also appeared in the *New York Times*, the *Los Angeles Times*, the *Washington Post*, National Public Radio, the *Christian Science Monitor*, Bloomberg Radio, the *Pittsburgh Post-Gazette*, the Associated Press, the *Eagle Tribune*, the *Cape Cod Times*, the *Boston Globe*, Reuters Television, the *Sentinel and Enterprise*, and the *American Prospect Online*.

Professor **Marilyn Halter** gave the Empire State College Sixth Annual Keynote Address on "The Newest Americans: Immigration and Adaptation in the 21st Century" at the New York State Museum in Albany, New York, on January 29. In early February, she was an invited speaker for the Boston Public Schools Teaching American History Program. Her topic was "New Immigrants: 2001 and After."

Graduate student **Omer Subhani** is interning this semester at Harvard in the Belfer Center's Managing the Atom Project, which brings together an international group of scholars and practitioners to conduct policy-relevant research on key strategic issues affecting the future of nuclear weapons and nuclear energy technology.

Professors **Linda Heywood** and **John Thornton** report on their recent activities: Both of them appeared in

(and served as consultants for) the PBS film "Oprah's Roots," which aired on January 23. They were also quoted extensively in Henry Louis Gates's book *Finding Oprah's Roots*, which was just published. They headed a roundtable at the American Historical Association meeting in Atlanta (January 4-7) on using DNA to trace roots of African Americans. Professor Heywood appeared on TV in a film called "Jamestown, Founding of America," produced by WHRO (in conjunction with the Jamestown-Yorktown Foundation), which aired for the first time on December 18. It has been shown on various PBS stations in Virginia and elsewhere. Professor Thornton led a class on the slave trade for Primary Source, a Watertown-based teachers' resource, on January 24; about thirty middle school and secondary school teachers from primarily public schools in the Greater Boston area attended. He presented a paper, "Military Bonding and Ethnic Identity: The Kingdom of Kongo and the Americas," at the National Humanities Center in North Carolina on February 9.

In January Professor **Cathal Nolan's** *U.S. Presidents and Foreign Policy: From 1789 to the Present* (co-edited by Carl Hodge) was published (ABC-CLIO). He also received a grant from the BU Center for Excellence in Teaching to build and support podcasts and a course web page with extensive audiovisual links and files, primarily for HI 307 ("History of War") but also to service HI 537 ("World War II") and HI 150 ("War in Literature and Film").

Merle Goldman Lecture

Professor Bernard Bailyn
Harvard University

will speak on
"How Historians Get It Wrong:
The American Constitution, For Example"

Wednesday, March 21, 5 P.M., CAS B12

Department of History
Boston University
226 Bay State Road
Boston, MA 02215



William Keylor edits new three-volume encyclopedia

Professor William Keylor (general editor) and graduate student Michael McGuire (associate editor) have just published *Encyclopedia of the Modern World* (Facts on File). In the introduction Professor Keylor explains the difficulty of the task that faced him:

When asked to edit the *Encyclopedia of the Modern World*, I immediately began to ponder the challenge of such an assignment in light of the extraordinary transformation that the world has undergone since the appearance of its predecessor, *The Facts On File Encyclopedia of the 20th*

Century, in 1991. The Union of Soviet Socialist Republics, the United States's old adversary in the cold war, disappeared and disintegrated into 15 sovereign states. Then Yugoslavia also broke apart and became the scene of the first serious outbreak of violence and ethnic strife in Europe since the end of the Second World War. The long-standing conflict between Israel and the Palestinians finally seemed headed toward a peaceful settlement during the 1990s, only to resume with all of its familiar ferocity and destructiveness as the 21st century dawned. After so many false starts and wrong turns since the 1950s, the movement toward European economic and political integration gathered steam; the newly renamed European Union recorded astonishing progress with the admission of new states to the east, the creation of a common European currency, and the adoption of the goal of a common foreign and security policy for the united continent. The People's Republic of China was transformed from a backward, impoverished country to a major industrial power in the world. The United States, after a decade of basking in the afterglow of the collapse of communism and relishing its enviable position as the world's sole remaining superpower, discovered its vulnerability to a new global threat with the terrorist attacks in New York City and Washington, D.C., on September 11, 2001. A new war on terrorism replaced the cold war as the defining theme of our time.

Amid these revolutionary changes in the political and economic landscape, the social and cultural world also underwent a fundamental transformation as a result of spectacular changes in the field of information technology. Innovations in fiberoptics and microchip technologies spawned the creation of a worldwide communications network that brought people across the globe in much closer contact with one another than ever before. The Internet, facsimile transmission, satellite television, and other technological breakthroughs in communications have made the world of the 21st century radically different from the world that was referenced in the previous work. I have attempted in this encyclopedia to take account of this radically changed world and the people who played a prominent role in shaping it.

